



Microinsurance and New Initiatives on Social Protection

MCPI AGM2016

Jun Jay Perez

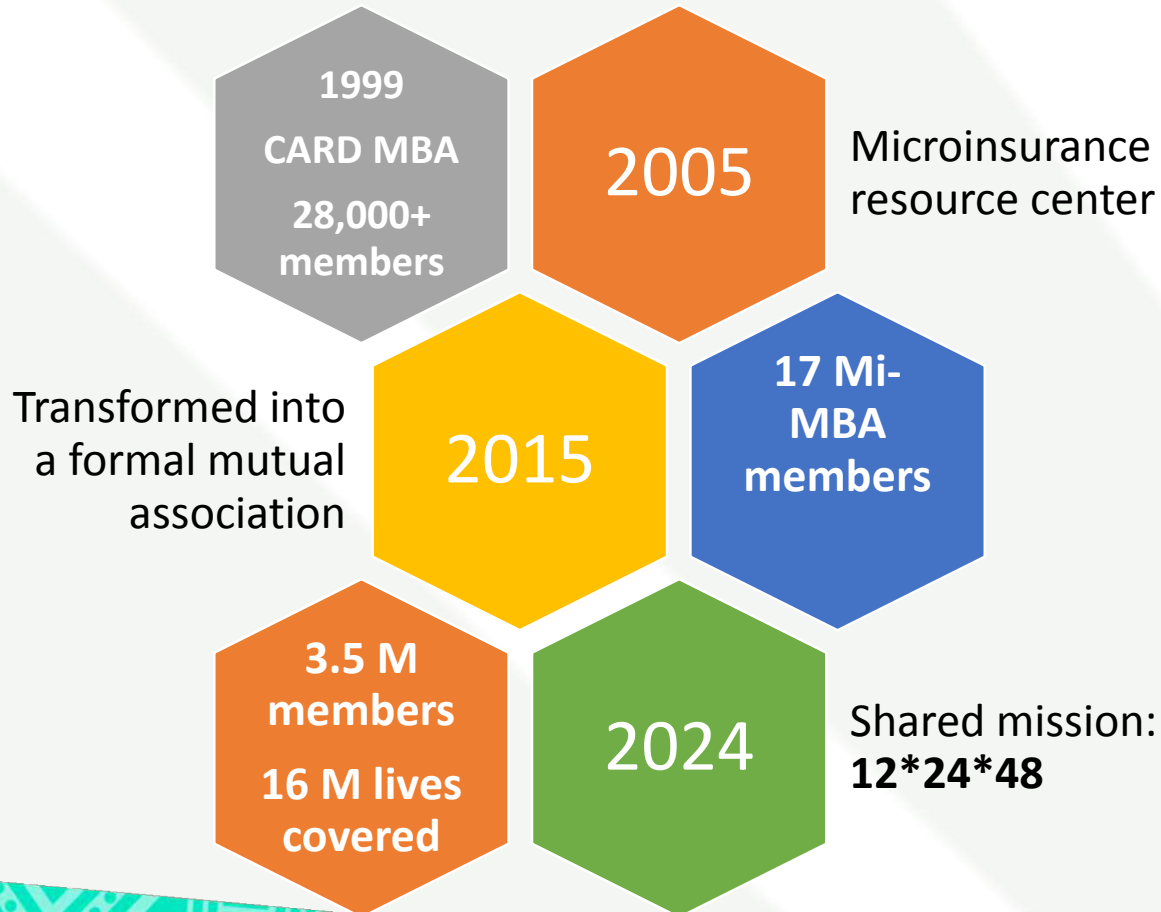
Executive Director

Microinsurance MBA Association of the Philippines (RIMANSI)

Outline

- Microinsurance products
- Market and distribution
- Mi-MBA risk pooling

The Association (RIMANSI)



Mi-MBA Business Model

- **Customer:** poor & low-income households and their families
- **Value offer:** family life insurance plan
- **Customer Care:** 1-3-5 day claims settlement
- **Distribution channel:** MFIs, Coops, RBs
- **Key Resources:** Trust of members, partner-agent relationship with MFI/Coop
- **Governance:** member-owned and governed

Manufactured Products

Microinsurance Product	Risk-managing feature	Used to finance...
Basic life insurance plan	<p>Income replacement for death, disability</p> <p>Cash for Equity Value refund (50% of contribution + interest)</p>	<p>Funeral expenses</p> <p>Income loss</p> <p>Continue, re-start business</p> <p>Buy extended insurance cover</p>
	Cash from return of Retirement Savings Fund + interest	
Credit life insurance plan	<p>Risk coverage for taking a loan</p> <p>Cash for return of paid portion of loan</p>	<p>Outstanding loan balance</p> <p>Funeral expenses</p>
Over-aged insurance plan	Coverage after exit from basic life plan to age 100	Funeral expenses

Partnership Products

Microinsurance Product	Risk-managing feature	Used to finance...
Optional life plan	Additional life cover for death	Funeral expenses
Daily hospital income benefit plan	Source of cash for hospital confinement	Hospitalization-related expenses Income loss
Non-life insurance	Residential house, store calamity coverage (with life bundle)	Rebuilding house, store after calamity Funeral expenditures

Market and Distribution

- **Adopt-an-MFI/Coop**

- Smaller MFIs/Coops without critical mass to establish own Mi-MBA
- MFIs/Coops have their clients/members become Mi-MBA members
- Members enjoy the same products, price and benefit
- Transfer of Mi-MBA technology
- MFIs/Coops staff trained to become microinsurance professionals

Market and Distribution

- **Partnership with DSWD's Pantawid Pamilya Program**
 - Work with provincial development officers and city/municipal links
 - Voluntary memberships
 - Orientation, enrollment, collection and continuing education during monthly Family Development Sessions
 - Claims process at Mi-MBA head office

Mi-MBA Risk Pooling

CatXoL Reinsurance

- Ceed catastrophe risks to Reinsurer
- Group treaty, cheaper
- Trigger – 30 deaths and Php 1 million amount of claim for a single event
- Reinsurance claim up to Php 20 million per event

Mutual Security Fund

- Mi-MBAs contribute to a trust fund
- Trigger – bankruptcy of participant Mi-MBA
- The Fund will pay unpaid claims obligations
- Ensuring not to use Fund – early warning performance monitoring by FRRC

Moving Forward

- Policy to reduce non-life insurance tax
- Develop new distribution channels within barangays – Sari-Sari Stores
- Study store, business interruption insurance and appropriate calamity cover
- Provide assistance in business continuity planning
- Strengthen credit with education program